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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 18, 2003

PETITION OF

STICKDOG TELECOM, INC.

CASE NO. PUC-2003-00008

Regarding Notification of
Disconnection from Verizon
Virginia Inc.

ORDER PERMITTING DISCONTINUANCE

On January 15, 2003, Verizon Virginia Inc. ("Verizon Virginia") filed a letter with the Clerk of the State Corporation Commission ("Commission") pursuant to 20 VAC 5-423-80 notifying the Commission that Verizon Virginia proposes to disconnect resale local exchange telecommunications services to Stickdog Telecom, Inc. ("Stickdog"), on March 17, 2003 ("Notification of Disconnection"). As set forth in 20 VAC 5-423-80, Verizon Virginia's Notification of Disconnection provided information regarding: (1) the number of Stickdog local exchange resale customers to be disconnected and the proposed disconnection date; (2) the amount of money claimed to be owed to Verizon Virginia by Stickdog, including the identification of any disputed amounts; (3) a description of any efforts that Verizon Virginia and Stickdog have taken to prevent disconnection or disruption of service to

Stickdog's customers; (4) any proposal to notify or to transfer Stickdog's customers to Verizon Virginia or other carriers; and (5) a copy of a written disconnection notice sent to Stickdog.

On January 22, 2003, Stickdog filed a letter with the Clerk of the Commission objecting to Verizon Virginia's Notification of Disconnection. Stickdog asserted that the information submitted by Verizon Virginia in the Notification of Disconnection is inaccurate and objectionable. Stickdog, among other things, challenged certain information provided by Verizon Virginia and provided additional information on the billing dispute that led to the Notification of Disconnection. In addition, Stickdog requested that if the Commission is unable to prevent Verizon Virginia from disconnecting Stickdog's customers' local phone service, the Commission at least require Verizon Virginia to confirm that it will not disconnect asynchronous digital subscriber line ("DSL") services and that it will allow DSL services to continue without interruption under Stickdog's Internet account with Verizon Virginia.

On January 29, 2003, the Commission issued an Order Establishing Proceeding docketing the proceeding and establishing a procedural schedule. Additionally, the Commission directed Stickdog to provide information required

by Rule 5 VAC 5-20-100 B of the Commission's Rules of Practice and Procedure.

On February 4, 2003, Stickdog filed its Supplemental Pleading, Petition for Discontinuance of Service and Petition for Injunction ("Petition"). In its Petition, Stickdog reiterated its objections to Verizon Virginia's Notification of Disconnection, petitioned the Commission for authority to discontinue the provision of all local exchange telecommunications services pursuant to the Rules Governing the Discontinuance of Local Exchange Services set forth at 20 VAC 5-423-10 et seq., requested that the Commission enjoin Verizon Virginia from disconnecting Stickdog until all its customers have been notified, and further petitioned that Verizon Virginia be enjoined from interrupting service to Stickdog's DSL customers who choose to migrate their DSL service to Verizon Virginia.

Additionally, Stickdog requested a 60-day notice period after entry of the Commission's Order and asked the Commission to enjoin Verizon Virginia from discontinuing service to Stickdog's customers for at least 90 days from entry of an order. Stickdog also included suggested language to be used as its notice to customers and further indicated that it wished to include notice to its customers as a billing insert.

On February 7, 2003, Verizon Virginia filed its Answer to Stickdog's Petition ("Answer") opposing Stickdog's requests

for injunction and reiterating its desire and intent to disconnect Stickdog's local exchange telecommunications services on March 17, 2003. Verizon Virginia also suggested that Stickdog be required to notify its customers by first-class mail no later than February 14, 2003. Additionally, Verizon Virginia took issue with the wording of Stickdog's proposed notice of discontinuance of service. Finally, Verizon Virginia noted that it intends to disconnect Stickdog's DSL service under the provisions of the applicable federal tariff.

On February 11, 2003, Stickdog filed its Response to Answer of Verizon Virginia Inc. ("Response"). Stickdog's Response renewed its requested relief set out in its Petition of February 4, 2003; denied that the alleged debt owed by Stickdog in the amount of \$1.1 million is undisputed; denied that Stickdog is delinquent on its DSL accounts; and renewed its request for injunctive relief as set out in Stickdog's Petition of February 4, 2003.

On February 12, 2003, Verizon Virginia filed a Motion for Leave to File Response to Stickdog's February 11, 2003, Response. In its Response, Verizon Virginia requested that the Commission deny Stickdog's request for injunctive relief and to further order Stickdog to notify its customers by first-class mail.

NOW THE COMMISSION, upon consideration of the pleadings and applicable law, finds as follows.

The Commission is concerned about the effect on Stickdog's customers stemming from the intended discontinuance by Verizon Virginia of Stickdog's resale service. The Commission finds that, to minimize customer disruption, Stickdog should not be disconnected by Verizon Virginia on Verizon Virginia's planned March 17, 2003, deadline. We find that Stickdog's customers should have additional time to select an alternative telephone company; therefore, Verizon Virginia shall not disconnect Stickdog's service until after April 15, 2003. We find that Stickdog's customers should receive direct notice; therefore, we will not grant Stickdog's request to notify its customers via bill inserts. Stickdog shall send a separate direct notice to customers via first-class mail on or before March 3, 2003. By granting this additional time, the Commission expects that Stickdog will be able to provide its customers with close to 45 days' notice.¹

Moreover, the Commission has learned, based on experience in previous discontinuance cases, that even when some

¹ The Commission notes that Stickdog also intends to discontinue service to its customers in Verizon South's territory. Stickdog is not precluded from giving its customers in Verizon South's territory more time to choose a new carrier. The provisions of this Order that are applicable to Verizon Virginia's authority to discontinue service to Stickdog do not apply to Stickdog's customers in Verizon South's territory. We expect Verizon South to coordinate with Stickdog before it disconnects any resale service to Stickdog.

customers have timely chosen a new carrier by the required date, their service may be disrupted because the underlying or new carrier has not completed the customer's transfer order within the same timeframe. The Commission recognizes that this is not an intentional outcome, but we are also aware that it can create serious consequences for those customers in transition. Therefore, the Commission finds that Verizon Virginia shall not disconnect service to any of Stickdog's resale customers for which any order, either to migrate the customer to a new Competitive Local Exchange Carrier or to Verizon Virginia itself, has been placed (but not completed) with Verizon Virginia by the April 15, 2003, date.

We will not rule on Stickdog's request regarding its DSL service. The Commission reminds Verizon Virginia, however, of its duties pursuant to 20 VAC 5-423-80-D. We expect Verizon Virginia to make every effort to assist in the expedient and timely transfer of Stickdog's customers to their new carrier, including its DSL customers, in order to prevent disruption of service to these customers.

Finally, we will not rule on the parties' disagreement regarding the specific language to be included in Stickdog's notice to its customers. We will require, however, that certain language noted below be included in such notice.

Accordingly, IT IS ORDERED THAT:

(1) We grant Verizon Virginia's February 12, 2003, Motion for Leave to File Response and accept Verizon Virginia's Response of February 13, 2003. We also accept Stickdog's February 11, 2003, Response, even though it was not accompanied by a motion for leave to file.

(2) Verizon Virginia is hereby enjoined from disconnecting resale local exchange telecommunications services to Stickdog until after April 15, 2003.

(3) Verizon Virginia is further enjoined from disconnecting any of Stickdog's local exchange customers that have an associated order to transfer local exchange telecommunications services in place on or before April 15, 2003.

(4) Verizon Virginia shall follow its expedited ordering procedures and make every effort to assist in the timely transfer of Stickdog's customers, including its DSL customers, to the customer's new local exchange telecommunications carrier in order to prevent the disruption of service to those customers as required by 20 VAC 5-423-80 D.

(5) Stickdog is hereby granted authority to discontinue its provision of local exchange telecommunications services to customers in Virginia.

(6) On or before March 3, 2003, Stickdog shall complete notice by first-class mail to each customer affected by the proposed discontinuance in Verizon Virginia's territory.

(7) Stickdog shall include the following language in its notice to customers in Verizon Virginia's territory:

"Customers are required to select an alternative local exchange telephone company on or before April 15, 2003, to avoid a loss of local telephone service. Customers who have placed an order for service with an alternative telephone company but have not yet been transferred to that company should not experience a loss of local service."

(8) The Staff shall monitor the discontinuance process as necessary. Stickdog and Verizon Virginia shall provide any requested information to the Staff as expeditiously as possible, pursuant to Virginia Code § 56-249.

(9) On or before April 11, 2003, Stickdog shall report to the Commission's Division of Communications the number of its remaining customers in Virginia.

(10) Stickdog shall file notice with the Commission when it has completed discontinuance of service to its customers.

(11) Verizon Virginia shall file notice with the Commission when it has completed discontinuance of service to Stickdog.